Exploration of Oil Wells at Krishna-Godavari Basin

106. SHRI KALPNATH RAI: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the details of the progress made so far in the exploration of oil wells in the on-shore and off-shore regions of the Krishna and Godavari basins;

(b) whether any source of petroleum and natural gas was discovered there recently;

(c) if so, what are the details thereof; and

(d) what steps are being taken to exploit the above sources commercially?

THE DEPUTY MINISTER IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI RAFIQUE ALAM): (a) So far 29 wells onshore and 35 wells offshore have been drilled in Krishna-Godavari basin.

(b) and (c) Yes, Sir. Oil and gas have recently been discovered in wells GS-16-5 (offshore) and Chintalapalli. During initial testing, the wells flowed oil and gas as follows:-

Name of well	Location	oil/gas flow	Choke size
GS - 16 - 5	About 4.5 KM from coast in KG. offshore.	2985 barrels of oil per day and 1.6 lakhs cubic meters of gas per day	32/64"
Chintalapalli	About 2.5 km of Razole town	6 lakhs cubic meters of gas per day	24/64"

(d) These discoveries are still in exploration stage and their potential for commercial exploitation will be known only after completion of exploration/delineation.

Krishna-Godavari basin as oil and gas bearing region

107. SHRI V. NARAYANASAMY: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that the Krishna-Godavari offshore basin has emerged as the most prospective oil and gas bearing region;

(b) whether Government propose to drill more wells to increase oil and gas production in the area; and

(c) what is the total estimated oil and gas reserves in the said region?

THE DEPUTY MINISTER IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI RAFIQUE ALAM): (a) Although the basin is still in exploration stage, yet it is emerging as prospective for hydrocarbons.

(b) Yes, Sir. It is proposed to drill two exploratory well in Krishna-Godavari offshore during the current year i.e. 1988-89.

(c) As on 1st January, 1987, the geological reserves of hydrocarbons in Krishna-Godavri basin have been estimated at 24.57 million tonnes of oil and oil equivalent of gas.

Policy regarding Foreign Collaboration

108. SHRI SURESH KALMADI: Will the Minister of INDUSTRY be pleased to state:

(a) what is Government's policy regarding foreign collaborations (equity and know-how) for consumer goods; and

(b) whether an export house, based on its exports, can ask for a collaboration of consumer goods, on the grounds of net foreign exchange earning?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL DEVELOPMENT IN THE MINISTRY OF INDUUSTRY (SHRI M. ARUNACHALAM): (a) Foreign investment is considered as a vehicle for transfer of technology needed by the country. As such, Government's policy regarding foreign Investment is selective. It is to be justified having regard to the factors such as priority of the industry, the nature of technology involved, whether it will enable or promote exports and the alternative terms available for securing the same. The ceiling for foreign equity participation is 40% although exceptions can be considered on merits. For wholly export oriented units, even 100% foreign equity can be considered. Payment for technology and know-how can be made either in the form of annual royalty or as lumpsum or both. The rate of royalty depends on the nature of technology and this is normally limited to 5% and for a period of five years. Higher rate of royalty and longer duration may be considered in exceptional cases, where the technology involved is sophisticated or closely held or a major part of the production is exported.

(b) Foreign collaboration for manufacture of consumer goods such as soft drinks, shaving blades, toys, footwear etc. is considered on merits if such collaboration is justified taking into consideration factors such as nature of technology involved, availability of indigenous technology, potential for export earnings, and the need to up date existing technology to become competitive and to suit consumer preference.

Industrial Projects in Orissa

109. SHRI BASUDEB MOHAPATRA: Will the Minister of INDUSTRY be pleased to state:

(a) whether it is a fact that the Central Government have given assistance to industrial projects in Orissa at present;

(b) if so, how much assistance has been given so far during the last three years;

(c) whether there is any proposal to set up such new projects in the State during 1988-89 and 1989-90; and

(d) if so, by when these projects are likely to be set up?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL DEVELOPMENT IN THE MINISTRY OF INDUSTRY (SHRI M. ARUNACHALAM): (a) to (d) With effect from 1.4.88, the Central Government has formulated a Scheme to assist the State Governments having 'No Industry Districts' to develop infrastructural facilities in one or two identified growth centres. The Central assistance is limited to 1/3rd of the total cost of infrastructural development subject to a maximum of Rs. 2 croes per district. Balasore, Phulbani and Bolangir are the three 'No Industry Districts' in the State of Orissa. Balasore, Manmunda and Bolangir growth centres identified by the State Government of Orissa for development of infrastructural facilities in these 'No Industry Districts' have been approved and a sum of Rs. 2.00 crores has been released as first and second instalment of Central assistance. These growth centres are being developed by the State Government of Orissa in a phased manner.